



STATE OF DELAWARE

OFFICE OF THE GOVERNOR

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GOVERNOR

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The Honorable Donald A. Blakey
State House of Representatives
P.O. Box 1401
Dover, Delaware 19903

The Honorable Timothy D. Dukes
State House of Representatives
P.O. Box 1401
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The Honorable Ronald E. Gray
State House of Representatives
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The Honorable Deborah Hudson
State House of Representatives
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The Honorable Harvey R. Kenton
State House of Representatives
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The Honorable Ruth Briggs King
State House of Representatives
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The Honorable William R. Outten
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The Honorable Harold J. Peterman
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The Honorable Michael Ramone
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The Honorable Daniel B. Short
State House of Representatives
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The Honorable Stephen T. Smyk
State House of Representatives
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The Honorable Jeffrey N. Spiegelman
State House of Representatives
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The Honorable David L. Wilson
State House of Representatives
P.O. Box 1401
Dover, Delaware 19903

November 20, 2012

RE: Illegal Gaming

Dear State Representatives:

Thank you for your letter concerning the above-referenced issue. My office has also received numerous calls regarding this matter. I welcome the opportunity to work with you when the General Assembly reconvenes in January.

It is my understanding that while this may once have been the mere operation of a few gaming machines for prizes, it has grown into multiple enterprises, involving many slot machines, paying out thousands of dollars on a daily basis. While not yet verified, there have been reports of upward of \$30,000 per month being generated at certain locations by these enterprises.

There is no question such activity is in violation of Delaware law and it may violate federal law, as well as local ordinances (particularly Sussex County).

While there may be a workable solution that can be found between the Administration and the General Assembly, the current situation is not tenable. We have authorized gaming in this state under a very strict regulatory framework to help ensure that games are operated in a manner that is fair to players, game operators and the taxpayers of our state. While I have tremendous faith and respect for our fraternal organizations and the fine work that they do, we know very little at this time about the entities that have supplied these machines or the agreements governing the services they provide. In short, this is not a framework we can knowingly embrace.

As you know, the decision whether or not to prosecute rests with the Attorney General's Office and/or other prosecutorial authorities. For my part, it is not appropriate for me to direct them or the Delaware State Police to ignore the law. That said, it is my sense that if these fraternal organizations cease their operations as requested, it is unlikely that further enforcement action will be forthcoming. When the General Assembly returns in January, we can work together on a potential solution that provides proper oversight, restrictions and boundaries.

Sincerely,



Jack A. Markell
Governor